



MAY 29 2009

To: IHS Loan Repayment Program Participants

From: Director, Division of Health Professions Support

Subject: IHS Loan Repayment Program Policy and Procedure Clarifications

The Indian Health Service (IHS) Loan Repayment Program (LRP) receives many questions each year requesting clarification or additional detail on program policies and procedures. Many tools are available for LRP recipients seeking information about LRP policies and procedures. These tools include the:

- IHS Loan Repayment Program website (www.loanrepayment.ihs.gov),
- IHS LRP Recipient Handbook (mailed to LRP recipients, online summer 2009),
- Indian Health Manual, Part 5, Chapter 20, (www.ihs.gov/PublicInfo/Publications/IHSManual/Part5/pt5chapter20/pt5chapt20.htm),
- IHS Loan Repayment Program electronic newsletters (emailed to LRP recipients), and
- IHS Loan Repayment Program Analysts.

Periodically, the LRP will also send out policy and procedure updates/clarifications in response to questions received from LRP recipients. The following clarifications of existing policies are in effect as of the date of this memorandum until changed for all LRP recipients (unless an exemption was approved by the LRP prior to date of this memorandum).

Service Obligation

Once a LRP monetary payment is received by the LRP recipient (deposited in their bank account), the LRP recipient must complete the full contractual service obligation (either two years for an initial two-year contract or one-year for a contract extension) or be in breach of his or her contract.

Example A:

A physician already working at a Tribal site applies for LRP, is selected, and his contract is signed by the Secretary's delegate on August 1, 2008. For personal reasons, the physician wants to cancel the contract and leave the site on August 31, 2008. The physician contacts the IHS LRP and requests in writing that his LRP two-year contract be cancelled. Since the first payment has not yet been sent to the physician's bank account, the LRP can cancel the LRP contract and award funding to another applicant. Once the contract is cancelled, the physician will not owe any monies for the cancelled LRP award (however, if he has a contract with the site, or has accepted other pays or bonuses these will need to be resolved).

Example B:

A physician already working at a Tribal site applies for LRP, is selected, and his contract is signed by the Secretary's delegate on August 1, 2008. The physician's LRP funding is received via Direct Deposit into his bank account on December 1, 2008. For personal reasons, the physician wants to cancel the contract and leave the site on January 1, 2009. The physician contacts the IHS LRP and requests to return the initial payment and have his LRP two-year contract cancelled. Since the initial payment was made to the physician in December 2008, the entire period of the contract must be honored by the physician. Failure to complete the contract will result in the physician being placed in default.

Example C:

A physician already working at a Tribal site applies for LRP, is selected, and his contract is signed by the Secretary's delegate on August 1, 2008. The physician receives his first of two annual payments and fulfills the first year of the contract, but for personal reasons, the physician wants to cancel the second year of the contract and leave the site on August 1, 2009. The physician contacts the IHS LRP and requests that the second year of his LRP two year contract be cancelled and that funding for the second year not be deposited in his bank account. Since the initial payment was made to the physician in August 2008, the entire period of the contract must be honored by the physician. Failure to complete the contract will result in the physician being placed in default.

Full-Time Clinical Practice

Every loan repayment recipient fulfilling their service obligation is required to engage in full-time clinical practice in the profession for which he or she was awarded an IHS LRP contract. The IHS has defined full-time as working a minimum of 80 hours every two week period (for an average of at least 40 hours per week). Even if a Tribal or urban Indian Program considers working less than 80 hours every two weeks to be full-time, to participate in the IHS LRP and have the service count toward the LRP service obligation, LRP participants must meet the IHS definition of full-time. The 80 hours may be compressed into no less than 7 days, with no more than 12 hours of work to be performed in any 24-hour period. Time spent in "on-call" status will not count toward the 80 hours. Hours worked over the required 80 hours per two week period cannot be applied to any other workweek.

A full-time clinical practice is defined as follows:

For all health professionals, at least 64 hours of the minimum 80 hours per two week period must be spent providing direct inpatient or outpatient care. These services must be conducted during normally scheduled hospital or clinic hours. The remaining 16 hours per two week period may be spent providing additional patient care and/or performing practice-related administrative activities, with administrative activities not to exceed 16 hours per two week period.

Practice-related administrative activities include teaching, attending staff meetings, supervision of other health care professionals, court appearances, and other non-treatment

related activities pertaining to the health care professional's approved position. Supervision of other health professionals is defined as an administrative activity if the health professional being supervised is treating or providing health care services to a patient and billing or documenting such treatment in his or her name. If the supervising health professional is treating the patient and billing or documenting such treatment under his or her name, this activity would be counted as direct clinical services for the supervising health professional.

No more than 7 weeks (35 workdays) per service year (contract year) can be spent away from the practice for vacation, holidays, continuing professional education, illness, or any other reason. For absences of greater than 7 weeks in a service year or any period of Absence With Out Leave (AWOL), will not count toward the service obligation. The loan repayment recipient is required to immediately notify the IHS LRP if there are absences greater than 7 weeks or 35 work days (or anticipated absences such as extended sick or maternity leave) so that the LRP recipient's service end-date may be recalculated.

Deferment

In general, the LRP service obligation may only be deferred for medical reasons (the only exception is dental resident programs noted below). If a LRP recipient anticipates being away from work for a substantial period of time (more than 7 weeks or 35 days total per service year) due to health issues, they may request in writing that their LRP service obligation be deferred for a specific period of time related to the medical event. Requests are considered on a case-by-case basis and the requester must provide appropriate documentation from a medical provider recommending the time away from work (note: the LRP deferment process is separate from obtaining approval from your worksite to be on leave).

Example:

A dentist receiving loan repayment goes on 30 days of maternity leave, with the written recommendation of her physician and approval of her work site. The dentist must notify the LRP as soon as she anticipates that her time away from work will exceed 35 days in a LRP service or contract year. For example, if this dentist took 10 days of annual leave in January and then needed an additional 30 days for maternity leave in June, she must notify the LRP program at the start of her maternity leave since she could anticipate at that time that her total leave for the LRP service or contract year will exceed 35 days away from work. The LRP would review the total time away from work and adjust the LRP recipient's contract end date to reflect the time beyond 35 workdays.

Dentists Applying for Dental Residencies

The IHS Division of Oral Health has requested and received approval from the LRP to allow deferment of the LRP contract service obligation to allow select dentists to enter and complete dental residencies. This type of deferment is considered on a case-by-case basis. Dentists in their initial two-year LRP contract are not eligible for this deferment. Additional requirements include:

1. The residency training must be in a needed dental specialty or subspecialty (as determined by the Director, IHS Division of Oral Health),
2. The dentist must sign a long term training contract (this applies to both intramural and extramural residencies),
3. The remaining service obligation on the dentist's existing LRP extension contract must be 90 days or less at the start of the residency,
4. The deferment period needed for the residency must be stated in the deferment request and cannot exceed four years, and
5. Upon completion of the residency, the LRP contract service obligation must be completed before any other service obligation is served.

All full-time post graduate training requests must be submitted to the LRP for review and determination at least 30 days before starting the dental residency and must be resubmitted annually. Requests for part-time residency programs will not be approved. LRP contract extensions cannot be given during any residency or other advanced clinical training. No period of internship, residency or other advanced clinical training shall be counted as satisfying any period of the LRP obligated service. Individuals entering a residency or extended training without LRP approval will be placed in default.

Deferring the LRP service obligation may impact eligibility for some special pays when the dentist returns to full time clinical practice. Please check with your personnel office before starting long term training to determine the period of obligated service for the long term training contract and the potential financial impact upon returning to clinical practice.

Dentists with a LRP contract obligation that are considering applying to a dental residency program should contact both the Division of Oral Health (contact: Dr. Timothy Lozon, phone: 301-443-0029, email: timothy.lozon@ihs.gov) and the LRP (contact: Ms. Carla Billingsley, phone: 301-443-2514, email: Carla.billingsley@ihs.gov) for advice and consultation.

Extension Contracts

Contract extensions (one-year contracts) requested in the same fiscal year that the previous contract expires, start on the anniversary date of the original LRP contract.

Example:

A nurse working at an IHS site requests loan repayment. Her initial two-year contract is signed by the Secretary's delegate on July 1, 2007. Since she is already working at the IHS site, her initial two-year LRP contract date is July 1, 2007 to June 30, 2009. She still has eligible loans after the initial two-year LRP contract and submits her LRP contract extension request by January 1, 2009 to help ensure that she receives priority for the LRP contract extension funding. The LRP staff process her one-year contract extension request and the new contract is signed by the Secretary's delegate

on April 1, 2009. The contract extension period is calculated not from the date it is signed, but from the date the original contract ends. Her new LRP one-year contract extension service period will begin July 1, 2009 and end June 30, 2010.

Extension contracts requested in the same fiscal year that the previous contract expires, but unable to be funded during that fiscal year, start on the date signed by the Secretary's delegate in the next fiscal year.

Example:

A nurse working at an IHS site requests loan repayment. Her initial two-year contract is signed by the Secretary's delegate on July 1, 2007. Since she is already working at the IHS site, her initial two-year LRP contract date is July 1, 2007 to June 30, 2009. She still has eligible loans after the initial two-year LRP contract. She forgets to send in her LRP contract extension request by the January 1, 2009 deadline. Instead it is received by the LRP on August 1, 2009. As the LRP funding has been exhausted for fiscal year 2009, her extension cannot be awarded in fiscal year 2009. She is contacted by LRP staff and asked if she would like to have her extension request considered in fiscal year 2010. She does want her request considered as soon as funding is available. LRP funds become available in January 2010 (fiscal year 2010). She is notified of her selection by the LRP staff and signs and returns the contract extension to the LRP. The extension contract is then signed by the Secretary's delegate February 15, 2010. Her new contract extension period is February 15, 2010 to February 14, 2011. Future extensions will now be based on the new contract end date of February 14, 2011.

Extension contracts requested in a fiscal year after the previous contract expired, will not be honored. The LRP recipient must resubmit an application for a new two year contract and complete with all other new LRP applicants.

Example:

A nurse working at an IHS site requests loan repayment. Her initial two-year contract is signed by the Secretary's delegate on July 1, 2007. Since she is already working at the IHS site, her initial two-year LRP contract date is July 1, 2007 to June 30, 2009. She still has eligible loans after the initial two-year LRP contract. She forgets to send in her LRP contract extension request by the January 1, 2009 deadline. Instead it is received October 10, 2009. Since the fiscal year runs from October 1 to September 30, she has missed the renewal period for the contract extension and must apply as a new LRP applicant. She will need to complete a new LRP application with all the required documentation and submit it to the LRP. Her application will be considered with all other new LRP applications in her discipline during fiscal year 2010.

Transferring to a New Position or Site

The IHS LRP contract is specific to an individual, work site, and the full-time position approved in the initial LRP application. While an individual can change their job or location as they choose (within current personnel regulations), LRP recipients must request and

receive approval from the LRP before they can transfer their LRP contract to a new job or site. Failure to get prior approval may result in breach of contract and the health professional being placed in default.

Example A:

A dentist working as a staff dentist at an IHS hospital is awarded a two year LRP contract. After one year, the dentist takes a new job at the same facility as the facility Infection Control Officer (without obtaining approval for this change from the LRP). The individual is placed in default as of the day she left the LRP approved position (since the new position is not a clinical position in the health professional's discipline providing direct care to patients).

Example B:

A dentist working as a staff dentist at an IHS hospital is awarded a two year LRP contract. After one year, the dentist takes a new job at Cass Lake as a Dentist/Computer Applications Coordinator (without obtaining approval for this change from the LRP). The individual is placed in default as of the day she left the LRP approved position (since a substantial amount of the individual's time is not providing clinical dental services to patients).

Example C:

A dentist working as a staff dentist at an IHS hospital is awarded a two year LRP contract. After one year, the dentist accepts a job at another IHS hospital as a staff dentist (without obtaining approval for this change from the LRP). The individual is placed in default as of the day she left the approved LRP site. The LRP contract does not transfer to a new site since she did not request and receive approval of the LRP contract transfer.

Example D:

A dentist working as a staff dentist at an IHS hospital is awarded a two year LRP contract. After one year, the dentist accepts a dental position at another IHS hospital. The dentist submits a request to the LRP, 30 days in advance of the move, requesting to transfer her LRP contract the new facility and position (following the process outlined in the LRP Recipient Handbook). The LRP will evaluate the request and make a determination before the dentist is to move. If the LRP contract transfer request is approved, the dentist can move to the new worksite knowing that the LRP contract will move with the dentist. If denied, the dentist can work with her current site to remain at the current location or move to the new location with the knowledge that he or she will owe money to the federal government that must be paid within one year of the transfer.

During their deliberations, in scenarios like Example D above, the LRP staff works with the IHS Category Lead for that LRP recipient's category to determine whether the Category Lead supports the transfer of the LRP contract. Category Lead assesses the benefit of the move to the health professional, the reason for requesting the move, the health professional's move history, the benefit of the move to the Indian health

system, whether the receiving institution has a higher or lower LRP site score (higher scores benefit the Indian health system), the vacancy rates at both institutions, and any other mitigating circumstances when deciding to support or not support the request to transfer the LRP contract.

Default

On occasion, LRP participants that have been placed in default desire to return to the Indian health system to serve the remainder of their service obligation in place of monetary repayment of their LRP debt. LRP recipients who are in “default” status who desire to repay their debt through service must get prior approval from the IHS LRP. To be eligible, the former LRP recipient must meet federal employability standards (even if seeking employment with a Tribe, Tribal organization or urban Indian program), be appropriately licensed in the discipline they originally received loan repayment for and must be in a full-time clinical position in that discipline/specialty in an approved IHS, Tribal or urban Indian program. Individuals who defaulted during their initial two-year LRP contract must serve at a site with a site priority score equal to or higher than the site priority score of their original service site to have the service count toward their LRP service obligation. Loan repayment recipients cannot repay their service obligation through part-time, locum tenens or contract employment.

Example A:

A LRP recipient who failed to correctly determine his LRP extension contract end date leaves an IHS site one month before his one year contract extension was to end. He now has another full time job in the private sector. He contacts his former employer and requests to work weekends to fulfill his one month LRP service obligation. Any time worked at the site under this arrangement would not count toward his LRP service obligation since he must engage in full time clinical practice in the profession for which he she was awarded an IHS LRP contract.

Example B:

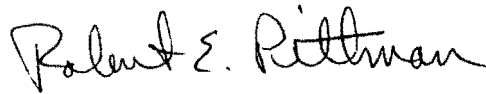
A LRP recipient who failed to correctly determine his LRP extension contract end date leaves an IHS site one month before his one year contract extension was to end. He now has another full time job in the private sector. He contacts his former employer and requests a one month full time contract position to be able to complete his LRP service obligation. Any time worked at the site as a contractor would not count toward his LRP service obligation.

Example C:

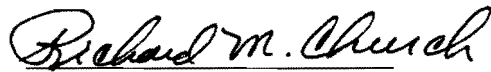
A General Surgeon applies for and receives a two year loan repayment contract. After one year of service the loan repayment recipient leaves the IHS facility to pursue an Orthopedic Surgery fellowship and is placed into default. After completion of the Orthopedic Surgery fellowship, the former LRP participant accepts a position at an IHS hospital as an orthopedic surgeon. This former LRP participant then requested that the new position be eligible to repay his LRP service obligation. The IHS LRP would deny this request since the former LRP recipient is not serving in a

full-time clinical position in the previously approved clinical specialty, in this case general surgery. If the former LRP recipient accepted a position as a general surgeon, the IHS LRP could potentially approve this as a LRP service payback position, if all other program requirements were met.

Please keep this document with your IHS Loan Repayment Program Recipient Handbook. If you have any questions about these policy and procedure clarifications or any other IHS LRP issue, please contact the IHS LRP staff at (301) 443-3396.



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